GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

UNSTARRED QUESTION NO:3834
ANSWERED ON:30.04.2007
IMPORT OF WHEAT
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Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) whether the Government has decided to make fresh import of wheat during 2007-08;

(b) if so, the reasons and the details thereof indicating the current procurement, stocks and quantum proposed to be imported during 2007-08;

(c) the agency/agencies assigned with the responsibility of making the said imports alongwith the time frame fixed and terms and conditions laid down for imports;

(d) the other steps taken to make wheat available to common people at affordable price; and

(e) the steps taken to protect the interest of the domestic farmers?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF AGRICULTURE AND MINISTER OF THE STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (DR. AKHILESH PRASAD SINGH)

(a),(b)&(c): The procurement of wheat in Rabi Marketing Season (RMS) 2007-08 which is presently in progress is 73.8 lakh tonnes as on 26.4.2007. The stocks of wheat in the Central Pool as on 31.3.2007 were 45.63 lakh tonnes. The Government has decided that action may be initiated by STC for import of one million tonnes of wheat in suitable tranches, by July, 2007 since there can be no compromise on food security.

(d): The steps taken to contain the prices of wheat are given in Annexure.

(e): The Government is carrying out Minimum Support Price (MSP) operations for wheat through the Food Corporation of India (FCI) and State agencies in wheat producing states to ensure remunerative prices for farmers. In order to protect the interest of farmers the MSP of wheat announced for RMS 2007-08 is Rs. 750 per quintal which is Rs. 100 per qtl more than that announced for RMS 2006-07. A bonus of Rs.100 per quintal over and above the MSP is also being given in RMS 2007-08.

ANNEXURE

ANNEXURE REFERRED TO IN REPLY TO PART (d) OF THE UNSTARRED QUESTION NO.3834 DUE FOR ANSWER ON 30.04.2007 IN THE LOK SABHA.

Steps taken by the Government to contain prices of wheat

i) The MSP for wheat was fixed at Rs. 750 per quintal for RMS 2007-08, an increase of Rs.100 per quintal, in order to encourage farmers to grow more wheat. Now, according to the Third Advance Estimates of the Department of Agriculture & Cooperation, the estimated production of wheat is likely to be 73.7 million tonnes in crop year 2006-07 compared to 69.3 million tonnes in crop year 2005-06.

ii) Import of 55 lakh tonnes of wheat was done in 2006-07 which has improved the stock position of wheat in the central pool and the wheat stocks (as on 1.4.2007) were more than the buffer norms of 40 lakh tonnes at the start of RMS 2007-08.

iii) Wheat exports on private account have been banned upto 31.12.2007. Wheat exports from Central Pool are also banned.

iv) Decision was taken to release 4 lakh tonnes of wheat under OMSS in February and March 2007 to cool the market prices. The wheat was made available to the States at a price of Rs 986.06 per quintal. The issue price of wheat contained a subsidy element of 20% on Economic Cost i.e. Rs 1232.30 per quintal. The State Govts. were asked to ensure the distribution to consumers on a no-profit-no loss basis so that the benefit of the subsidy was passed on to the consumers.

v) The Government is keeping very close watch on domestic and international prices of wheat.

vi) A notification titled `Wheat (Stock Declaration by Companies or Firms or Individuals) Order 2007 has been issued under the Essential Commodities Act 1955 on 1.3.2007. The order provides that any Company or Firm or individual which purchases wheat beyond 50,000 tonnes during 2007-08 shall furnish to the Central Government a return indicating the name/address of the company, quantity of wheat purchased and quantity of wheat held in stock.

vii) Department of Consumer Affairs has extended upto 31st August, 2007 notification under the EC Act enabling State Governments to impose stock limit on wheat and pulses

viii) Import of wheat on private account at zero duty has been permitted upto 31.12.2007.